What Makes Great Leaders

Rethinking the Route to Effective Leadership

Findings from the Fortune Magazine/Hay Group 1999 Executive Survey of Leadership Effectiveness

A HAY EXECUTIVE BRIEFING

Effective leadership is one of the most elusive keys to organizational success. While a number of organizations have successfully cracked the code, leveraging stellar leadership into outstanding performance, many continue to struggle.

Adding to the confusion is the changing nature of leadership. Today's flatter, faster, more flexible organizations, facing intense competition in a global market, require more dynamic leadership.

Those organizations that are most successful in developing their executives and senior managers carefully assess the performance and capabilities of these leaders and potential leaders, provide them extensive development and coaching, measure their progress, and then reward them. They also focus on enhancing the self-awareness, self-management, social awareness, and social skills of their leaders—what we refer to as emotional intelligence.

The importance of this approach was confirmed in a survey we recently conducted of FORTUNE 500 organizations, comparing the leadership development efforts of some of FORTUNE Magazine's Most Admired Companies with their peers.

Again and again, effective leadership separated the most admired organizations from the rest of the pack. These organizations put a premium on the importance of leadership and clearly do a better job of selecting and developing their leaders:

- The most admired organizations are far more satisfied with the quality and breadth of leadership at both their executive and senior management levels.
- They are also less tolerant of inappropriate leadership behavior in order to "meet their numbers."
- They place more value on leadership development, and put more emphasis on ongoing development efforts that are linked closely to strategic business goals and supported by formal reward programs.
- They more frequently use competency models and a wide variety of developmental programs in selecting and advancing their leaders.
- The leaders of the most admired organizations are perceived as demonstrating more emotional intelligence.

The remainder of this report details these findings and offers a proven approach for assessing and developing high-performing leaders—leaders who truly can lead and drive results.

Executive Summary: What Makes Great Leaders

HayGroup

Introduction: Cracking the Code of Effective Leadership

We've long known the importance of leadership to organizational success. We've witnessed its impact on performance. We've seen how it can propel or derail a company's business strategy.

Yet many organizations continue to find effective leadership elusive. Years after Warren Bennis wrote his somewhat pessimistic, *Why Leaders Can't Lead*, organizations are struggling more than ever to crack the code of effective leadership.

It's not that they aren't trying. They are, as the burgeoning, multibillion-dollar leadership training industry attests to. But as the mediocre track record of that industry shows, results are costly, hard to measure, and difficult to come by.

Compounding the issue is the changing nature of leadership. Today's leaders must be able to leverage a broad range of styles given the complexity of organizations and their people. They must be highly flexible—adapting and improvising given changing strategies, shifting cultures, and the explosion of technology.

Most importantly, they must never forget *whom* they are leading. Certainly strategic organizational goals are critical. But leaders who overlook key people issues are almost certain to fail in this era of intense competition, employee free agency, and performance at any cost.

Today's leaders must be able to create climates that foster not only performance but also pride and purpose. They must have what we refer to as emotional intelligence—a heightened sense of self-awareness, the ability to manage their emotions as well as those of others, to build rapport and relationships with a diverse group of people, to motivate others, create a believable vision, and negotiate a broad range of social and business situations.

Unfortunately, there are no cookie-cutter approaches to creating effective leaders. Each organization is unique, as is each individual within that organization. There is, however, a process that has been used successfully by numerous organizations to improve leadership and with it, performance. Successful, high-performing organizations we've worked with:

- Assess the motives and styles of their leaders and determine their impact on climate and performance;
- Create customized, competency-driven, leadership models that support their strategic goals;
- Expand the emotional intelligence of their leadership;
- Are committed to extensive development and coaching efforts; and
- Measure and reward both leadership development and performance.

The importance of such an approach was confirmed in a recent Hay study of some of the world's top organizations. In an effort to better understand today's most pressing leadership issues and to seek ways to address them, we surveyed the leadership practices of more than 60 Fortune 500 organizations, comparing those cited by FORTUNE as the "world's most admired companies" with their peers. *(For details about our approach, see Appendix I: Survey Methodology.)*

We compared the emphasis placed on leadership, the processes used to identify and develop leaders, and the importance placed on the emotional intelligence of leaders. The results confirmed not only the importance of leadership in organizational success, but also the difficulty of creating successful leaders. *(For complete results, see Appendix II: Survey Results.)*

More than 90 percent of the most admired organizations we surveyed, for example, reported they were satisfied with their executive leadership, compared with less than three-fourths of their peers. At the same time, 83 percent of the most admired were satisfied with the leadership effectiveness of their senior managers, compared to just over half of their peers *(see Figure 1).*

A similar gap exists in identifying future leaders. Almost three-fourths of the most admired organizations reported they were very satisfied with their pool of high-potentials compared with less than half of their peers *(see Figure 2).* The most admired organizations were also more satisfied with their effectiveness in identifying future leaders, with about two-thirds saying they were very satisfied, compared with less than half of the other organizations.

Some Daunting Statistics on Leadership

FIGURE 1

Leadership Satisfaction

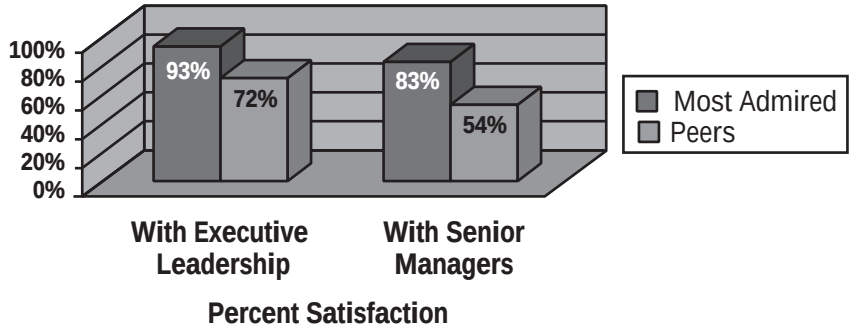
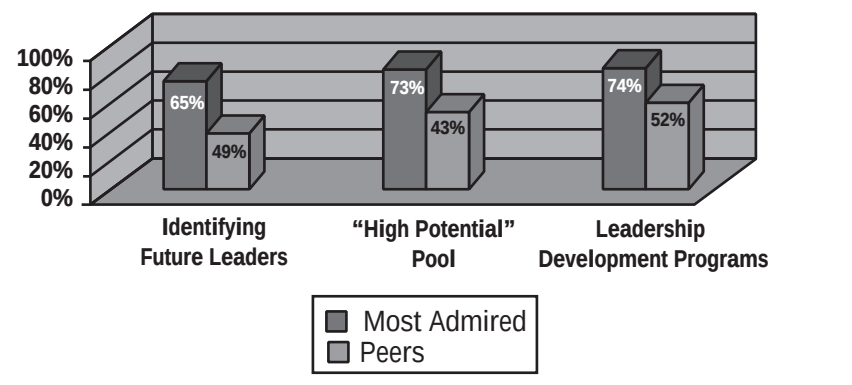


FIGURE 2

Effectiveness in Identifying and Developing Leaders



Not surprising, the most admired also are far more satisfied with their leadership developmental efforts than their counterparts. Among the most admired, 74 percent said they were satisfied with their programs, compared with 52 percent of their peers.

These results are especially interesting in light of the fact that the most admired reported spending only slightly more time on selection and development than their peers. What separates the most admired from the rest, it appears, is not the effort, but the *quality* of the effort. The most admired use a broader array of sophisticated developmental tools than do the other organizations. As Figure 3 shows, they tend to mix traditional training programs with a variety of other, ongoing developmental efforts, such as planned career assignments that expand expertise and business perspective, outside executive programs, and individual coaching.

In addition to extensive developmental efforts, the most admired organizations also do a better job of assessing leadership talent, developing it, and holding people accountable for these efforts.

During the selection process the most admired make greater use of formal leadership competency models than do their counterparts, with 57 percent reporting they use such models to a great extent, compared with 36 percent of their peers *(See page 16).*

Once leadership talent has been identified, the most admired report more effectiveness in providing 360-degree feedback, developing performance measures, and linking those measures to strategic goals. They also report doing a better job of holding senior people accountable for developing their employees *(See page 17).*

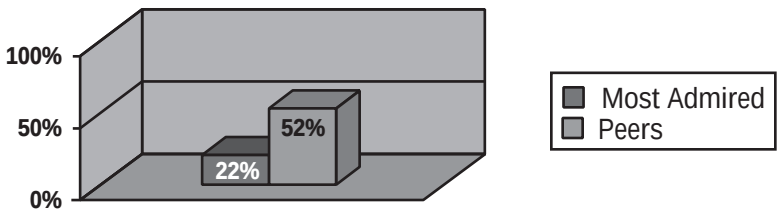
Perhaps more important, the most admired organizations are less tolerant of inappropriate behavior on the part of their executives and senior management. As Figure 4 shows, only 22 percent said such behavior was tolerated to some or a great extent compared to 52 percent of their peers.

FIGURE 3 Use of Developmental Programs

		Rarely Use or Not at All	Use Somewhat	Use a Great Deal
Planned career assignments	Most Admired	0%	39%	61%
	Peers	8	57	35
Business Schools—Executive Programs	Most Admired	13	52	35
	Peers	22	62	16
Formal in-house training programs	Most Admired	4	44	52
	Peers	14	35	51
Individual one-on-one coaching	Most Admired	13	30	57
	Peers	22	57	22
Off-the-shelf/self-study training programs	Most Admired	73	27	0
	Peers	56	39	6
Tailored development programs developed by outside consultants	Most Admired	22	61	17
	Peers	38	46	16

FIGURE 4

Toleration of Inappropriate Executive or Senior Management Behavior



Behavior Tolerated to Some or Great Extent

In addition to the more obvious differences, our study uncovered a subtle but important distinction in the most admired organizations: their emphasis on emotional intelligence, which is so critical for today's leaders. As Figure 5 shows, the most admired organizations report that their executives demonstrate more emotional intelligence in terms of self-awareness, self-management, social awareness, and social skills.

These subtle attributes, our research showed, also play a major role in the success or failure of high-potential individuals. All the organizations we surveyed reported that it is the lack of these less tangible, more strategic aspects of leadership—things like insensitivity to others, the inability to work in teams, and a lack of clarity around strategic direction—that most frequently lead to derailment *(see Figure 6).* Ironically, less than 10 percent of both groups place the blame on a lack of technical ability.

Despite some major differences in leadership approaches between the most admired companies and their counterparts, one startling similarity stands out: the lack of effective methods for measuring the success of development programs. As Figure 7 shows, most respondents from both groups continue to use participant satisfaction as a key measure of leadership development. Less than a third—30 percent of the most admired; 25 percent of the others—calculate success in terms of business impact. And a third of both groups lack any sort of formal method.

FIGURE 5

Assessing Emotional Awareness

Percentage of Executives Who Demonstrate Emotional Intelligence

		Almost None / Few	About Half	Most / Most All
Self-Awareness—effectively recognizes and understands own moods, emotions and drives, and their effect on others.	Most Admired	9%	35%	56%
	Peers	24	35	41
Self-Management—effectively controls and redirects own disruptive feelings.	Most Admired	4	13	83
	Peers	14	30	57
Social Awareness—accurately senses what others are feeling and thinking around them.	Most Admired	9	30	61
	Peers	19	46	35
Social Skill—effectively builds rapport, manages relationships and builds networks.	Most Admired	0	9	91
	Peers	11	27	62

FIGURE 6

What has caused or causes your 'High Potentials' to derail (i.e., no longer considered as high potentials)?

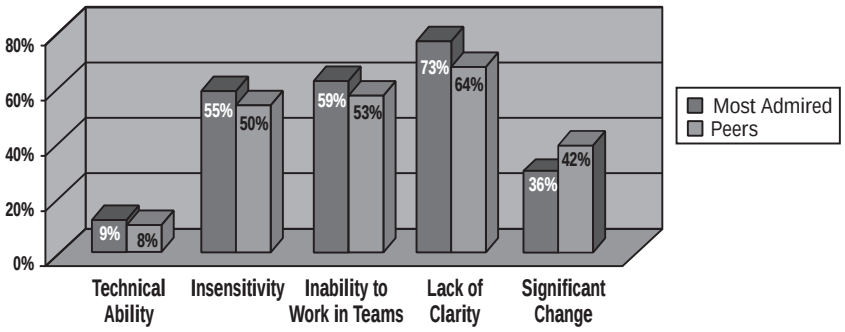
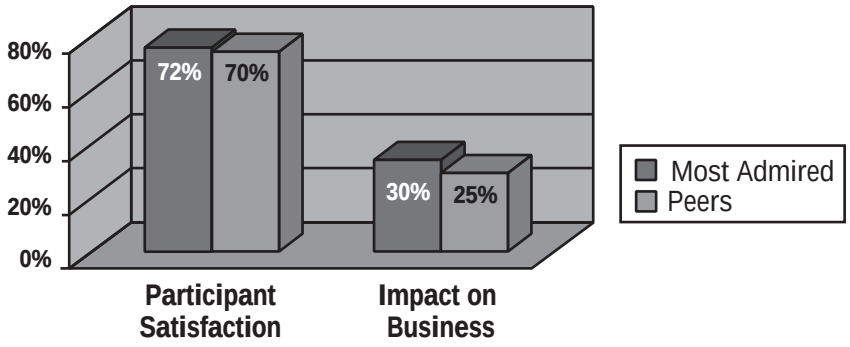


FIGURE 7

How ROI on Development is Calculated



The Solution: Rethinking the Route to Effective Leadership

It is clear from this study that there is a serious disconnect between what organizations need in their leaders and how those attributes are developed. Many organizations continue to jump from one quick fix to the next, never stopping to truly understand the issues of leadership and the changing dynamics that are at work in the marketplace.

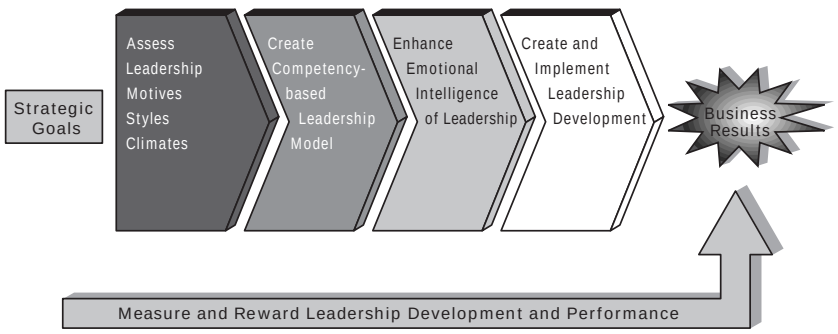
Based on our research and experience, those organizations that are most successful in developing good leaders have carefully rethought the route to effective leadership. While their individual tactics vary, they all have incorporated many of the same basic elements into their approach to leadership development. As Figure 8 shows, these include:

- Motives and styles and their impact on climate;
- Competency models;
- Emotional Intelligence;
- Ongoing development and coaching; and
- Rewards tied to specific performance measures.

Many organizations continue to jump from one quick fix to the next, never stopping to truly understand the issues of leadership and the changing dynamics that are at work in the marketplace.

FIGURE 8

The Route to Effective Leadership



Understanding the Dynamics of Leadership Styles and Climate

Many organizations put people into key leadership roles without fully understanding the impact a leader's behavior and style can ultimately have on the climate and performance of their department, business unit, or organization.

According to our own research into the leadership dynamics of hundreds of organizations around the globe, these variables can have, over time, a profound impact on both individual and organizational performance *(see Figure 9)*.

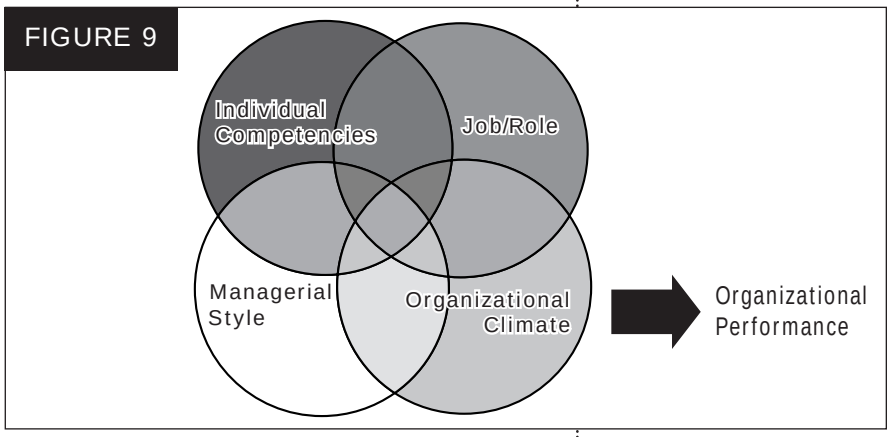
Here's how it works:

1. It begins with the full range of competencies that a leader brings to the role—his or her motives, values, traits, self-image, technical skills, and behaviors, not to mention knowledge.

2. Together, these competencies predispose an individual to one or more leadership styles, depending on the situation. Research shows that there are six primary leadership styles: coercive, authoritative, affiliative, democratic, pacesetting, and coaching. A leader motivated by personal achievement, for example, may, under stress, become coercive, while a peer who enjoys influencing people may be authoritative in a similar situation. None of the styles are inherently good or bad. Each is effective when appropriately matched to the situation.

3. These leadership styles, applied to a specific work situation or job, create the climate in which people work. The climate, which in reality is the atmosphere or perceptions of a workplace, includes the clarity with which people understand their roles and how they relate to the organization's objectives, the performance standards and expectations, the flexibility and lack of workplace constraints, the authority and responsibility people are given, and how they are recognized and rewarded.

FIGURE 9



4. That climate has a direct impact on bottom-line performance, affecting such things as growth, sales, productivity, efficiency, and customer service. According to our research, for example, climate accounts for up to 25 percent of the variance in performance. When climate changes are sustained over time, they essentially shift the organization's culture.

Reverse this "chain reaction," and the importance of leadership development becomes even clearer. What the leader "brings to the party" in terms of hard skills and more subtle motives, values, and traits, has a major impact on the performance of those he or she leads, be it a work group, department, business unit, or global corporation.

Developing Effective Leadership Models

It follows that the next step in developing more effective leadership is understanding what makes a good leader "tick," and then determining if your leaders have it—and if they don't, how you can create it. This is one of the most basic hurdles organizations face, especially those that lack formal leadership models.

It's fairly easy to determine what technical skills and knowledge are needed for a specific leadership role. Those are the kinds of things typically found in a role description or on a resume: specific duties, education, and work experience. Assessing the underlying, less obvious attributes needed to be successful in a particular leadership role is more difficult.

What the leader "brings to the party" in terms of hard skills and more subtle motives, values, and traits, has a major impact on the performance of those he/she leads, be it a work group, department, business unit, or global corporation.

Many successful organizations address this issue by creating leadership competency models. They start by determining the key performance indicators of the role in question and then interviewing a representative sample of both average performers and stars to determine differences in how they approach their roles. From these highly structured interviews a series of key leadership competencies are developed.

Exactly what those competencies are depends on the organization and the level of leadership that is needed. Typically they include such elements as conceptual thinking, the ability to coach and provide clear feedback, the talent for working across groups and teams, and the knack for effectively leveraging the organization's culture and internal political relationships.

Some organizations take another step and benchmark the key competencies of their leaders, comparing them with those of similar organizations—or organizations whose performance they hope to emulate—to determine if they are tracking in the right direction, given their strategy and culture.

Many organizations for whom Hay has worked have found that these competency models directly impact leadership performance, and they have incorporated them into their selection, development, and succession planning processes.

Enhancing the Emotional Intelligence of the Leadership

Warren Bennis' comments more than a decade ago, dire though they may have been, were dead on, especially his thoughts on the importance of people in organizational success: "If these arrogant…chieftains do not begin to see the world as it is, do not finally acknowledge that their employees are their primary asset, not their primary liability, then all their jealously held power, prerogatives, and perks will sooner or later count for nothing, because their companies will be acquired, merged, or sunk."

Today that same mantra is still being chanted—albeit a bit more succinctly—by other organizational experts. Ram Charan, writing recently in FORTUNE Magazine on why CEOs fail, noted that "the motto of the successful CEO, worthy of inscription on his or her office wall, is 'people first, strategy second.' "

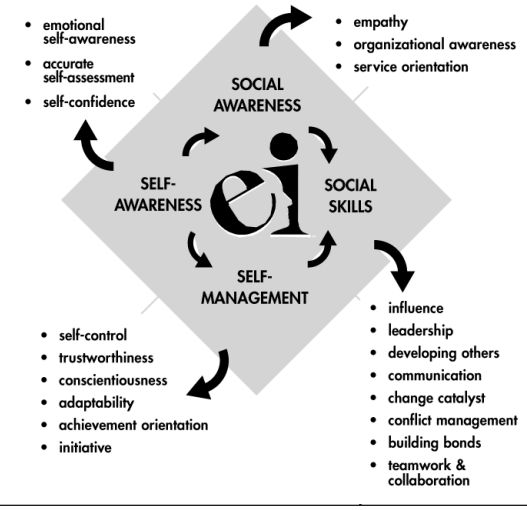
Despite these calls for change, many of today's leaders continue to focus on the technical aspects of leadership, rather than on the people side of the equation. They still haven't grasped the importance of the emotional elements of leadership—the capacity for recognizing their own feelings and those of others, for motivating themselves, and for managing emotions within themselves and in others.

Despite the subtle feel of this facet of leadership, research shows that it has a very real impact on performance. According to our own research and that of Daniel Goleman, author of *Working with Emotional Intelligence,* emotional intelligence is twice as important as cognitive abilities in predicting outstanding employee performance, and accounts for more than 85 percent of star performance in top leaders.

It is these interpersonal skills that our survey participants said are critical for leadership success. Just how critical can be seen in an examination of 23 candidates for president of most-admired companies. The 12 who ultimately earned the title demonstrated significantly more emotional intelligence than the 11 who were passed over, especially in the areas of self-confidence, self-control, achievement orientation, empathy, and teamwork.

On the basis of our competency research and Goleman's studies, we have identified 20 specific competencies that make up the four components of emotional intelligence: self-awareness, self-management, social awareness, and social skills. These competencies include such elements as self-confidence and self-control, understanding and developing others, initiative and integrity, the drive to improve performance, persuasion, and collaborative skills (see Figure 10).

FIGURE 10



Creating and Implementing New Leadership Development Approaches

As with other leadership competencies, emotional intelligence can be enhanced over time with a carefully designed developmental program. Where too many organizations fail, as our survey found, is in the developmental process itself. Tactically focused programs—the typical two-day seminar or four-hour workshop that have become the standard fare of most training efforts—do little to advance an individual's emotional intelligence beyond increasing awareness and understanding.

Creating the ingrained patterns of thoughts, feelings, and behavior that constitute leadership competencies and emotional intelligence requires a much more extensive developmental effort. Depending on the level of leadership, we recommend an ongoing program that takes place over several weeks or months and that includes many of the aspects of training that our survey participants believe are critical.

Such an initiative usually begins with a thorough individual assessment. Typically, organizations use intensive interviews to identify key competencies, along with a 360-degree tool to assess individuals against the leadership model.

After the assessment, development usually begins with a three- to five-day group session in which participants explore their motives, values, emotional intelligence, and other competencies in terms of their leadership styles and the climates they create. At the end of these sessions, participants develop self-directed learning plans that incorporate specific, measurable, manageable goals. Then, over a matter of months, participants are given ongoing coaching, feedback, encouragement, peer support, and modeling, as well as on-the-job practice.

According to our research and experiences with clients, this approach works well. One global high-tech client we worked with is convinced that a rise in its earnings and share price was primarily due to the enhancement of emotional intelligence of its leadership team.

Measuring and Rewarding Development and Performance

The growth of effective leaders cannot stop with a developmental program, no matter how sophisticated it is. Those organizations that are most effective in developing their leaders and in enhancing their emotional intelligence make these processes an integral part of their ongoing programs and procedures, integrating them in their selection, development, succession planning, and even compensation strategies.

They start by developing critical measures of success. These include both short-term developmental goals and longer-term performance goals linked to the organization's strategy. What those goals are depends on the organization, its culture, and its strategy. Some use relatively simple ROI measures. Others incorporate economic value-added (EVA) measures. Still others use a balanced scorecard approach that goes beyond financial performance to also include measures of customer service, internal business processes, and learning and growth.

Once the measures are in place, they effectively can be linked to a variety of incentives. While creating a strategy that rewards leadership development can be difficult, given the highly charged emotions that frequently surround such issues, we believe it is critical. After all, the development of leadership competencies and emotional intelligence is crucial, and rewarding those competencies should be an integral element of any organization's compensation strategy.

Emotional Intelligence is twice as important as cognitive abilities in predicting outstanding employee performance, and accounts for more than 85 percent of star performance in top leaders.

Your Role in Creating Effective Leaders

It is clear from our research and the work of other experts in the field that effective leadership—or the lack thereof—remains a critical issue for organizations today. But how do we create the kind of leaders that Bennis and Charan hope will emerge, the sort of executives that have people as well as business acumen? Whose responsibility is it?

Everyone's.

No matter where you are in the organization, there are things you can do to develop and nurture effective leadership. It should start at the top of the organization. The board not only should understand the importance of formal leadership models that include emotional intelligence, but they also should make sure that these models are incorporated into the selection, development, and reward strategies of the senior executives.

Senior executives should also make leadership development a cornerstone of their strategy. They should be the organizational champions of effective leadership, taking the lead in developing a model, if one does not exist, supporting developmental efforts and nurturing leadership throughout the organization. They might even consider enhancing their own leadership efforts.

That, of course, is easier said than done. Many executives are hesitant to embrace the need for leadership development, fearing it reflects badly on their ability to select strong leaders.

Training and human resources professionals also must play a major role in developing effective leaders. In most organizations, they are looked to for guidance in creating effective developmental programs. Yet too often, limited by time and money, they focus on quick, tactical, reactive responses rather than on sustained, long-term solutions.

To be effective in developing leaders, HR professionals also have to understand the changing dynamics of the role. They need to become as knowledgeable about the more subtle elements of leadership as they are about the tactical elements. Ultimately, they should become both content experts and the tactical champions of more effective leadership development.

Finally, anyone who professes or aspires to be a leader, be it a first-line supervisor or a CEO, should recognize that success today requires far more than skills, knowledge, experience, and a title. If we truly believe that today's organization must put people before strategy, we all must develop the competencies and emotional intelligence that will allow us to achieve such a lofty vision.

About the Hay Group and Hay/McBer

The Hay Group and Hay/McBer have long been leaders in helping organizations improve their performance by creating strategies for selecting, developing, motivating, and leading top performing individuals—from senior executives to front-line employees.

Unlike many of our competitors, our approach is based on years of research and comprehensive data that include thousands of individuals from hundreds of organizations around the globe. Among our accomplishments:

- We pioneered the research into the impact of competencies on performance.
- Our researchers were among the first to directly link the styles of leaders and the climates they create to both productivity and financial performance.
- We are considered a leading authority on effective culture change, which is critical for today's constantly adapting organization.
- We played a major role in identifying the competencies of emotional intelligence, which Daniel Goleman recently established as critical to top performance.

Today, a wide range of industry leaders and global giants seek our help in creating integrated solutions to their most pressing people issues. Our consultants, which include experienced executives, psychologists, and researchers, provide expert guidance in:

- **Leadership Transformation,** which focuses on helping organizations develop the leadership capabilities of top executives and senior managers. It includes executive assessment, group development, and individual coaching.
- **Organizational Development,** which focuses on helping organizations diagnose and implement improvements and sustainable, performance-enhancing changes. It includes assessment and diagnostic work, team development, culture change, strategy implementation, process and role design, and communications.
- **Competency Modeling,** which helps managers gain insight into the capabilities of their people and organizations, and helps them improve performance through competency-based HR programs. It includes the research and design of competency models, including those with emotional intelligence.
- **Capability Development,** which focuses on improving organizational effectiveness through individual change below the top leadership levels, such as with high-potentials and front-line supervisors.
- **HR Systems and Applications,** which focus on helping organizations enhance the capabilities of their people through more strategically focused systems such as assessment and selection, performance management, and succession planning.

APPENDIX I

Survey Methodology

For the past three years, FORTUNE, with the help of the Hay Group, has published a list of the World's Most Admired organizations. Hay's role in this unique venture has been to conduct the survey from which the list and subsequent story are developed.

In conducting the survey, we first divide the world's largest companies, FORTUNE Global 500 companies, into industries, and then eliminate categories with fewer than four companies. In 1999, for example, that left 24 industries.

For each of the industries, we then develop a survey questionnaire listing the companies. We then ask respondents, senior executives, outside board members, and financial analysts, to rate their competitor companies within their industry on nine performance dimensions:

- Innovation
- Quality of management
- Quality of products and services
- Long-term investment value
- Social responsibility to the community and environment
- Ability to attract, develop, and retain top talent
- Financial soundness
- Use of corporate assets
- Effectiveness in doing business globally

FORTUNE then takes the results and annually publishes a list, along with a story. *(See "The World's Most Admired Companies,"* FORTUNE, *October 11, 1999.)*

Because leadership and the quality of management tend to be key themes year after year, Hay decided to study these issues further; the results of the study are found in this executive briefing.

In undertaking this study, we asked CEOs and the heads of human resources in the top three companies of each industry to answer a series of questions about the quality of their leadership and their development programs. *(The complete set of questions can be found in Appendix II: Survey Results.)* We sent the same questionnaire to a sample of other global FORTUNE 500 companies; more than 60 organizations completed the survey.

APPENDIX II

Survey Results

Assessing Leadership Capability

HOW SATISFIED ARE YOU WITH EACH OF THE FOLLOWING:		Very Dissatisfied 1 2 3	4	Very Satisfied 5 6 7
1. The quality and breadth of leadership at your Executive levels	**Most Admired**	3%	4%	93%
	Peers	3	25	72
2. The quality and breath of leadership at your Senior Management levels (just below Executive levels)	**Most Admired**	4	13	83
	Peers	16	30	54
3. The "pool" of high potentials for leadership positions	**Most Admired**	10	17	73
	Peers	27	30	43
4. Your organization's effectiveness in identifying future leaders	**Most Admired**	0	35	65
	Peers	30	21	49
5. Leadership development programs in your organization	**Most Admired**	0	26	74
	Peers	21	27	52

		Less than 10%	10-20%	More than 20%	More than 30%
6. How much time, on average, would you estimate you spend on leadership selection, development and succession?	**Most Admired**	0%	50%	50%	37%
	Peers	12	38	50	30%

WHICH OF THE FOLLOWING DOES YOUR ORGANIZATION USE TO DEVELOP "HIGH POTENTIALS" AND KEY EXECUTIVES?		Rarely Use or Not At All 1	Use Somewhat 2	Use a Great Deal 3
7. Planned career assignments	**Most Admired**	0%	39%	61%
	Peers	8	57	35
8. Business schools—Executive Programs	**Most Admired**	13	52	35
	Peers	22	62	16
9. Formal in-house training programs	**Most Admired**	4	44	52
	Peers	14	35	51
10. Individual or one-on-one coaching	**Most Admired**	13	30	57
	Peers	22	57	22
11. Off-the-shelf/self-study training programs	**Most Admired**	73	27	0
	Peers	56	39	6
12. Tailored development programs developed by outside consultants	**Most Admired**	22	61	17
	Peers	38	46	16

		No Method	Training Evaluated	Establish Metrics	Impact on Business
13. How does your organization calculate the Return on Investment of leadership development programs?	**Most Admired**	35%	70%	9%	30%
	Peers	33	72	8	25

		Tech. Ability	Insensi-tivity	Inability to Work in Teams	Lack of Clarity	Sig. Change
14. What has caused or causes your 'high potentials' to derail (i.e., no longer considered as high potentials)?	**Most Admired**	9%	55%	59%	73%	36%
	Peers	8	50	53	64	42

		Great Extent	Some Extent	Very Small Extent
15. To what extent does your organization tolerate inappropriate Executive or Senior Management behavior in order to meet the numbers?	**Most Admired**	0%	22%	78%
	Peers	8	44	47

		No	Yes, Some Extent	Yes, Great Extent
16. Does your organization use competency models (i.e., profiles of leadership skills, knowledge and attributes) to aid in identifying and developing leadership talent?	**Most Admired**	4%	39%	57%
	Peers	6	58	36

		No Change	ROI	Rapid Change	Does Not Support	Other
17. For what reasons are you considering major changes to your leadership development program?	**Most Admired**	29%	10%	19%	33%	38%
	Peers	26	0	35	35	32

HOW IMPORTANT DO YOU FEEL EACH OF THE FOLLOWING ARE TO SUCCESS IN YOUR ORGANIZATION'S TOP LEADERSHIP POSITIONS?		Not Important				Very Important
		1	2	3	4	5
18. Technical skills	**Most Admired**	13%		43%		44%
	Peers	5		38		56
19. Social and emotional skills ("Emotional Intelligence")	**Most Admired**	0		0		100
	Peers	3		8		89

ASSESSING EMOTIONAL INTELLIGENCE

Defined below are four major dimensions of Emotional Intelligence. Please indicate the approximate proportion of your company's Executives who, you believe, effectively demonstrate each component. (circle one for each of the following):

		Almost None/Few	About Half	Most/ Most All
20. **Self-Awareness**—effectively recognizes and understands own moods, emotions and drives, and their effect on others.	**Most Admired**	9%	35%	56%
	Peers	24	35	41
21. **Self-Management**—effectively controls and redirects own disruptive feelings.	**Most Admired**	4	13	83
	Peers	14	30	57
22. **Social Awareness**—accurately senses what others are feeling and thinking around them.	**Most Admired**	9	30	61
	Peers	19	46	35
23. **Social Skill**—effectively builds rapport, manages relationships and builds networks.	**Most Admired**	0	9	91
	Peers	11	27	62

ASSESSING LEADERSHIP DEVELOPMENT PRACTICES

Using the following scale, please rate how important the following are in creating effective leaders in order to meet your organization's competitive challenges.

1—Not Important to 5—Extremely Important

Using the following scale, please rate how effectively these development activities are in developing leadership behaviors in your organization.

1—Performed Poorly or Not at All to 5—Performed Extremely Well

			Importance			Effectiveness		
			1 2	3	4 5	1 2	3	4 5
24.	Assure that top leaders have job assignments that take them outside their primary expertise and expand their business perspective (e.g., new business or function, international)	**Most Admired**	0%	0%	100%	9%	22%	69%
		Peers	0	16	84	14	38	49
25.	Ensure top leaders receive feedback from key groups (e.g., 360° evaluation)	**Most Admired**	0	4	96	7	35	48
		Peers	5	14	81	24	38	38
26.	Have one-on-one feedback and coaching sessions delivered by a skilled professional	**Most Admired**	13	22	65	21	40	39
		Peers	24	38	38	49	31	19
27.	Provide ongoing support and training to ensure long-term success	**Most Admired**	0	0	100	4	30	65
		Peers	3	11	87	17	38	46
28.	Establish clear outcome measures of individual development (e.g., job performance, career advancement)	**Most Admired**	4	17	78	9	48	43
		Peers	8	11	82	30	38	33
29.	Ensure that development efforts link clearly to organizational strategic goals	**Most Admired**	0	9	91	4	22	74
		Peers	3	3	94	17	36	47
30.	Hold senior people accountable for developing their employees	**Most Admired**	0	0	100	9	43	48
		Peers	8	5	86	37	27	35
31.	Assess individual's interpersonal skills (e.g., self-awareness, emotional and social awareness, self-management, social skills)	**Most Admired**	0	17	83	9	48	43
		Peers	11	19	71	38	35	27
32.	Link developmental efforts to formal reward and recognition programs	**Most Admired**	13	13	74	39	30	30
		Peers	8	27	65	35	32	32